AG755-1
6/6/89

NAFA Fleet Executive

The Magazine for Vehicle Management
May 1989

NAFA's 1989 Personal Use Survey Results

STUDY SHOWS COMPANY CARS MEAN SUBSTANTIAL SAVINGS!

For more than 30 years, the voice of fleet managers across the United States and Canada.

Cover design by Jeff Calvert

NAFA Fleet Executive

The Magazine for Vehicle Management

May 1989

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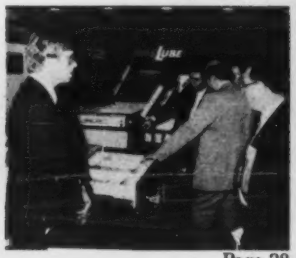

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Following is a brief summary of results of NAFA's 1989 Personal Use Survey. Detailed charts, with industry-by-industry classifications and statistics, follow on the ensuing pages.

AFA's 1989 Personal Use Survey received responses from 610 (527 United States and 83 Canadian) fleet managers. The survey had an increase of 147 responses (32%) over last year's survey and represents a 29 percent return.

NAFA'S 1989 Personal Use Survey
Number of Returns
Industry Classification

	U.S.	Canada	Total
Drugs and Cosmetics	49	17	66
Chemical & Petroleum	41	10	51
Public Utility	38	0	38
Communications	14	3	17
Food & Beverage	45	9	54
Industrial Manufacturing	66	12	78
Government	82	10	92
Service Organization	39	3	42
Insurance	66	1	67
Consumer Manufacturing	50	8	58
Banking/Financial	19	2	21
Electronics	9	2	11
Other	8	6	14
Total	526	83	609

As was the case last year, the "Government" industry classification had the most responses, followed by the "Industrial Manufacturing" industry. The "Drugs and Cosmetics" and "Insurance" categories traded places this year as the classifications with the third and fourth highest numbers of returns.

Fleet managers in this survey control more than half a million (544,599) vehicles, of which 279,987 are leased and 264,562 are company-owned. United States fleets in this survey are comprised of 261,734 leased vehicles and 225,065 company-owned vehicles, for a total of 486,799; Canadian fleets have 18,253 leased vehicles and 39,497 company-owned, for a total of 57,750.

An average U.S. vehicle in this survey is driven 2,826 miles every month, of which 399 miles (14.1%) are considered for personal use. In Canada, a typical vehicle in this survey is driven 5,000* kilometers every month with 616 km (12.3%) considered for personal use.

*Canada's Chemical and Petroleum and Other classifications had unusually high averages of 16,579 km and 12,451 km, respectively. Without those two averages, Canada's total per vehicle average drops to 2,683 km.

Who Gets A Vehicle?

Nearly half of U.S. respondents claim a company-provided vehicle is assigned to an employee based upon the employee's job title. One out of every four fleet managers says employees are assigned a company vehicle based on the amount of business mileage the employee drives every year. (The average yearly mileage needed to qualify for a company vehicle was 12,411.) The remaining 25 percent of U.S. respondents assign vehicles as either a fringe benefit (13.3%) or base the decision on some "other" factors (11.9%).

As in the U.S., most Canadian fleet managers assign a vehicle first by the employee's job title. However, nearly one-fourth of Canadian fleet managers in this survey also assign vehicles as a part of a fringe benefit package; just over 16 percent assign a vehicle because of the number of kilometers an employee drives every year. (The average yearly kilometer tally to qualify for a company vehicle was 19,843.)

Who Can Use The Vehicle?

Nearly 90 percent of U.S. fleet managers said their employees can use a company-provided vehicle for personal use. In addition, more than 70 percent said the employee's spouse can use the company vehicle; three out of every ten also said the employee's licensed children can use the company vehicle.

Personal use of company vehicles seems to be even more widespread in Canada: 94 percent of fleet managers in that country said employees can use the vehicle for personal use; 91 percent said employee's spouse can use the vehicle; 73 percent allow employee's children to use the vehicle.

Of the U.S. employees allowed to use a company vehicle for personal use, more than 94 percent have free reign to drive the vehicle whenever necessary. Just more than one percent can only drive the vehicle to and from work. For Canadians, nearly 81 percent of eligible employees can drive a company vehicle whenever necessary. Five percent of Canadians can only

Number and Type of Vehicles in Responding Fleets

United States Fleets			
Company-Owned	225,065		
Leased	261,734		
Total		486,799	
Canadian Fleets			
Company-Owned	39,497		
Leased	18,253		
Total		57,750	544,599
Total in Survey			
Company-Owned	264,562		
Leased	279,987		
Total			544,599

What is the total mileage a driver puts on an average company vehicle each month?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total
U.S. (miles)	2,899	2,220	2,323	1,877	1,998	2,201	4,277	2,050	1,823	2,149	1,719	1,838	1,475	2,826
Canada (km)	3,012	16,579	0	1,567	3,152	2,630	2,067	2,500	2,900	2,849	2,550	2,475	12,451	5,000

What is the average personal mileage driven by employees on company vehicles each month?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total
U.S. (miles)	532	304	528	643	376	359	257	406	391	332	360	799	383	399
Canada (km)	582	645	0	690	517	509	478	800	900	659	1,140	675	749	616

Percent of total monthly mileage considered to be used for personal use.

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	Overall % U.S.& Canada
U.S. (miles)	18.4%	13.7%	22.7%	34.3%	18.9%	16.3%	6.0%	19.8%	21.5%	15.5%	20.9%	43.5%	25.9%	14.1%	13.2%
Canada (km)	19.3%	3.9%	0	44.0%	16.4%	19.4%	23.1%	32.0%	31.0%	23.1%	44.7%	27.3%	6.0%	12.3%	

Personal Use Survey

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drive the vehicle to and from work and another five percent only while working.

Paying For Personal Use

While personal use of company vehicles is allowed in more than 92 percent of all responding fleets, nearly eight out of ten companies charge employees for that privilege. (In the U.S., 78.5% of fleets charge employees for personal use; 64.1% of fleets in Canada do so.)

Thirty percent of U.S. fleets charging employees for personal use do so on a "cents per mile" basis with the average charge being 16.8 cents/mile. Nineteen percent charge a flat monthly fee averaging $54; eight percent charge an average of $17/week; seven percent charge nine cents a mile *and* either $10/week or $45/month.

In Canada, more than 44 percent of fleets charging employees for personal use do so with an average flat monthly fee of $45 (Canadian). Fifteen percent charge an average of 9.5 cents/kilometer; nearly ten percent charge a weekly fee averaging $30; nearly six percent charge an average of 8.3 cents/kilometer *and* $74/month.

When collecting charges for personal use of company vehicles, U.S. fleets are evenly divided between use of an expense report (40.7%) or salary deduction (40.5%). Canadian fleet managers show a clear preference: 66 percent use salary deductions; 26 percent use expense reports.

Employee Reimbursements

Eight of ten U.S. fleet managers who have employees *with no assigned fleet vehicle* reimburse those employees for business use of their personal vehicle on a "per mile" basis. The average amount of reimbursement is 22.5 cents/mile. Less than five percent of these fleet managers use a graduated scale of reimbursement with average fees at 23.2 cents/mile for the first

Factors governing assignment of company-provided vehicle:

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
Business Mileage Miles per year:	13 12,857	15 11,750	16 10,909	4 10,200	13 15,455	36 13,789	13 9,575	8 15,600	43 10,110	23 13,740	12 15,045	1 0	2 1,000	199 12,411	25.7%	24.3%
Job title	41	29	25	10	41	54	48	26	43	37	12	7	6	379	49.0%	48.9%
Fringe Benefit:	11	8	6	2	14	16	8	8	6	14	3	2	5	103	13.3%	14.9%
Other:	5	17	10	3	5	5	26	8	5	2	1	2	3	92	11.9%	11.9%
Canada																
Business Mileage (Kilometers) per year:	2 17,500	4 15,333	0 0	1 0	3 0	1 28,000	3 21,333	1 30,000	0 0	1 0	2 1,000	1 28,800	3 22,500	22 19,843	16.3%	
Job Title	14	8	0	1	7	12	3	3	1	7	2	2	5	65	48.1%	
Fringe Benefit:	9	3	0	1	4	2	1	1	0	4	1	1	5	32	23.7%	
Other	1	2	0	0	2	3	4	1	0	2	0	0	1	16	11.9%	

Who is allowed to use a company vehicle for personal use?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
U.S.																
Employee	49	38	28	10	45	65	42	33	66	50	16	6	8	456	86.7%	87.7%
Employee's spouse	46	22	6	6	39	59	0	20	64	42	8	6	5	323	70.8%	64.5%
Employee's licensed children	24	12	4	4	20	28	0	6	16	19	3	1	3	140	30.7%	32.4%
Others	6	6	6	4	7	3	10	4	4	6	2	1	2	61	13.4%	11.7%
No one, personal use not permitted	0	3	10	4	0	1	40	6	0	0	3	3	0	70	13.3%	12.3%
Canada																
Employee	17	10	0	3	9	12	6	3	1	8	2	2	5	78	94.0%	
Employee's spouse	16	10	0	2	8	12	2	3	1	8	2	1	6	71	91.0%	
Employee's licensed children	14	10	0	2	8	6	1	2	0	7	1	1	5	57	73.1%	
Others	1	3	0	0	2	0	4	0	0	0	0	0	0	10	12.8%	
No one, personal use not permitted	0	0	0	0	0	0	4	0	0	0	0	0	1	5	6.0%	

Personal Use Survey

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10,154 miles and 12 cents/mile thereafter. Four percent of U.S. fleet managers reimbursing drivers for business use of a personal vehicle use a flat monthly reimbursement of $264; just over three percent use a combination of both cents/mile and a flat monthly or weekly fee; less than one percent use only a flat weekly payment.

Similar reimbursement numbers were reported by Canadian fleet managers who have employees *with no assigned fleet vehicle:* Eighty-one percent use a cents/kilometer method (average payment is 23.9 cents/kilometer); eight percent use a graduated scale of 25.6 cents/kilometer for the first 8,050 kilometers and 20.7 cents/kilometer thereafter; over three percent use a monthly payment averaging $583; just more than two percent use a combination cents/kilometer and flat monthly payment method; none use a flat weekly payment.

In the U.S., when an employee uses his or her personal vehicle for business use because his or her *assigned fleet vehicle it is not in operation,* fleet managers report they are most likely to reimburse the employee on a "cents/mile" basis. Nearly 85 percent of these fleet managers said they reimburse drivers an average of 22.4 cents/mile. Just over five percent said they reimburse drivers in this situation at 23.3 cents/mile for the first 8,410 miles and 11.5 cents/mile thereafter. Less than two percent use either a flat weekly or monthly payment or a combination of cents/mile and flat payments.

In Canada, more than 76 percent of fleet managers with drivers using their own vehicles *because their assigned fleet vehicles are not in operation* reimburse drivers an average 24.3 cents/kilometer. Nearly six percent use a graduated scale of 26 cents/kilometer for the first 7,800 kilometers and 21.4

Of the 456 employees who can drive a company vehicle for personal use, under which conditions are they permitted personal use?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
U.S.																
When necessary; at all times	44	30	28	10	40	65	42	33	62	50	16	6	4	430	94.3%	92.3%
Only to and from work	1	2	0	0	1	0	0	0	0	0	0	0	1	5	1.1%	1.7%
Only while working	1	2	0	0	0	0	0	0	0	0	0	0	1	4	0.9%	1.5%
Only weekends & holidays	1	2	0	0	2	0	0	0	1	0	0	0	1	7	1.5%	1.9%
Only while on vacation	1	2	0	0	2	0	0	0	1	0	0	0	1	7	1.5%	1.9%
Other	1	0	0	0	0	0	0	0	2	0	0	0	0	3	0.7%	0.7%

Of the 78 employees who can drive a company vehicle for personal use, under which conditions are they permitted personal use?

Canada																
When necessary; at all times	13	6	0	3	4	12	6	3	1	8	2	2	3	63	80.8%	
Only to and from work	1	1	0	0	1	0	0	0	0	0	0	0	1	4	5.1%	
Only while working	1	1	0	0	1	0	0	0	0	0	0	0	1	4	5.1%	
Only weekends & holidays	1	1	0	0	1	0	0	0	0	0	0	0	0	3	3.9%	
Only while on vacation	1	1	0	0	1	0	0	0	0	0	0	0	0	3	3.9%	
Other	0	0	0	0	1	0	0	0	0	0	0	0	0	1	1.2%	

Is employee charged for personal use of company vehicle?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
U.S. - Yes	41	28	22	9	36	57	17	23	46	44	15	5	4	358	78.5%	76.5%
No	8	10	6	1	9	8	25	10	9	6	1	1	4	98	21.5%	23.5%
Canada - Yes	15	7	0	1	3	6	3	1	1	5	2	2	4	50	64.1%	
No	2	3	0	2	6	6	3	2	0	3	0	0	1	28	35.9%	

How are employees with no assigned fleet vehicles reimbursed for business use of personally owned vehicles?

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
Per Mile (Yes)	45	36	33	12	40	59	59	35	60	46	14	6	7	452	82.8%	82.6%
Avg. Amount (cents)	.226	.235	.232	.223	.226	.226	.222	.215	.224	.226	.234	.220	.230	.225		
Weekly Payment (Yes)	0	0	0	1	2	0	0	0	0	0	0	0	0	3	0.6%	0.5%
Avg. Amount (dollars)	$ 0	0	0	75	53	0	0	0	0	0	0	0	0	$60		
Monthly Payment (Yes)	49	0	2	1	1	1	10	3	0	2	0	1	0	22	4.0%	3.9%
Avg. Amount (dollars)	$525	0	65	300	435	350	258	267	0	300	0	100	0	$264		
Combination of both cents/mile & weekly or monthly charge: (Yes)	1	1	1	2	0	5	0	3	0	2	0	3	0	18	3.3%	3.2%
Avg. charged per mile	.110	.080	.100	.060	.000	.084	.000	.140	.000	.080	.000	.073	.000	.090		
Avg. Week (dollars)	$ 0	0	0	0	0	45	0	32	0	0	0	0	0	$41		
Avg. Month (dollars)	$230	400	110	291	0	168	0	223	22	310	0	313	0	$241		
Graduated scale: (Yes)	1	4	6	14	2	5	1	0	3	2	2	0	0	27	4.9%	5.4%
1. Amt. for 1st number of miles	.240	.240	.227	.240	.240	.226	.230	.000	.223	.235	.240	.000	.000	.232		
2. Number of miles reimbursed at rate in 1	15,000	7,819	7,455	300	15,000	15,000	15,000	0	5,533	8,125	15,000	0	0	10,154		
3. Amt. for any mileage over that in 2	.110	.125	.137	.115	.110	.110	.110	0	.123	.110	.110	0	0	.120		
Other	1	3	2	1	2	5	5	3	2	0	0	0	0	24	4.4%	4.4%
Canada																
Per Kilometer (Yes)	17	10	0	3	9	10	3	3	1	8	2	1	6	71	81.6%	
Avg. Amount (cents)	.245	.251	0	.230	.239	.235	.243	.247	.160	.231	.235	.210	.238	.239		
Weekly Payment (Yes)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	
Avg. Amount (dollars)	$ 0	0	0	0	0	0	0	0	0	0	0	0	0	$ 0		
Monthly Payment (Yes)	1	0	0	0	0	0	0	0	0	2	0	0	0	3	3.5%	
Avg. Amount (dollars)	$550	0	0	0	0	0	0	0	0	600	0	0	0	$583		
Combination of both cents/kilometer & weekly or monthly charge: (Yes)	0	0	0	0	0	0	0	0	0	0	0	1	0	2	2.3%	
Avg. charged per km	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.080	.000	.080		
Avg. Week (dollars)	$ 0	0	0	0	0	0	0	0	0	0	0	0	0	$ 0		
Avg. Month (dollars)	$ 0	0	0	300	0	0	0	0	0	0	0	358	0	$329		
Graduated scale: (Yes)	0	0	0	0	0	1	5	0	0	0	0	0	1	7	8.0%	
1. Amt. for 1st number of kilometers	.000	.000	.000	.000	.000	.270	.260	.000	.000	.000	.000	.000	.220	.256		
2. Number of kms reimbursed at rate in 1	0	0	0	0	0	5,000	8,800	0	0	0	0	0	7,350	8,050		
3. Amt. for any mileage over that in 2	.000	.000	.000	.000	.000	.210	.212	.000	.000	.000	.000	.000	.180	.207		
Other	1	0	0	1	0	0	1	0	0	0	0	1	0	4	4.6%	

If drivers are charged for personal use of a fleet vehicle how are the charges collected?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consume Mfg	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
U.S.																
Expense Report	23	11	1	1	17	33	2	9	33	20	5	3	0	158	40.7%	39.0%
Salary Deduction	12	10	15	3	18	25	9	10	29	16	5	2	3	157	40.5%	43.4%
Others	8	6	7	5	4	5	7	6	4	13	7	0	1	73	18.8%	17.6%
Canada																
Expense Report	4	2	0	0	0	0	1	1	1	1	1	1	1	13	26.0%	
Salary Deduction	11	3	0	1	2	5	2	0	0	5	1	0	3	33	66.0%	
Others	0	1	0	0	0	1	0	0	0	1	0	1	0	4	8.0%	

Personal Use Survey

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cents/kilometer thereafter.

Several transportation alternatives are available in those instances when an assigned fleet vehicle is not in operation. In the U.S., nearly one-third of fleet managers allow drivers to use their personal vehicle; 32 percent allow them to rent a vehicle; 28 percent allow them to use a pool vehicle. In Canada, nearly 46 percent of fleet managers opt for a rental vehicle; 28.6 percent allow the driver to use his or her personal vehicle; 21.8 percent allow them to use a pool vehicle.

Accidents & The IRS

U.S. employees allowing spouses or licensed children to drive a company vehicle had better beware: Nearly 60 percent of responding fleets said employees are charged portions of repair costs sustained in accidents when someone other than the employee is driving the company vehicle. Just over half of Canadian respondents said this is true in their country as well.

Employees seem to get a break, however, if they themselves have an accident with the company vehicle. Only 23.7 percent of U.S. fleet managers and 46.2 percent of Canadian fleet managers say employees are charged portions of repair costs sustained in accidents while the employee was driving the vehicle. Those fleets charging

How are employees charged for personal use of a company vehicle? What amount?

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
Per Mile (Yes)	16	11	7	1	12	21	3	9	22	13	6	2	1	124	30.1%	28.4%
Avg. Amount (cents)	.181	.185	.206	.060	.124	.160	.217	.159	.186	.135	.178	.165	.190	.168		
Weekly Charge (Yes)	2	0	3	1	4	7	3	4	4	3	1	1	0	33	8.0%	8.2%
Avg. Amount (dollars)	$50	0	11	8	13	21	18	16	12	16	3	3	0	$17		
Monthly Charge (Yes)	6	8	1	0	11	9	2	4	17	13	3	2	1	79	19.2%	22.0%
Avg. Amount (dollars)	$49	48	35	0	50	77	20	45	48	67	75	33	40	$54		
Combination of both cents/mile & weekly or monthly charge: (Yes)	8	0	3	0	2	6	0	1	3	5	1	0	0	29	7.0%	6.9%
Avg. charged per mile	.075	.000	.127	.000	.130	.038	.000	.060	.077	.072	.240	.000	.000	.091		
Avg. Week (dollars)	$ 7	0	10	0	6	10	0	20	0	12	15	0	0	$10		
Avg. Month (dollars)	$23	0	80	0	0	67	0	0	38	36	0	0	0	$45		
Graduated scale: (Yes)	0	0	0	0	0	1	1	0	0	0	0	0	0	2	0.5%	0.6%
1. Amt. for 1st number of miles	.000	.000	.000	.000	.000	.000	.240	.000	.000	.000	.000	.000	.000	.120		
2. Number of miles reimbursed at rate in 1	0	0	0	0	0	600	15,000	0	0	0	0	0	0	7,800		
3. Amt. for any mileage over that in 2	.000	.000	.000	.000	.000	.090	.110	.000	.000	.000	.000	.000	.000	.100		
Other	14	15	11	8	12	21	10	10	18	18	8	0	1	146	35.4%	33.9%
Canada																
Per Kilometer (Yes)	3	0	0	0	0	0	1	1	0	1	1	0	1	8	15.4%	
Avg. Amount (cents)	.093	.000	.000	.000	.000	.000	.130	.100	.000	.100	.050	.000	.100	.095		
Weekly Charge (Yes)	4	0	0	0	0	1	0	0	0	0	0	0	0	5	9.6%	
Avg. Amount (dollars)	$27	0	0	0	0	40	0	0	0	0	0	0	0	$30		
Monthly Charge (Yes)	10	2	0	0	2	3	0	0	1	3	1	0	1	23	44.2%	
Avg. Amount (dollars)	$33	21	0	0	38	53	0	0	40	60	112	0	100	$45		
Combination of both cents/kilometer & weekly or monthly charge: (Yes)	0	0	0	1	0	1	0	0	0	0	0	1	0	3	5.8%	
Avg. charged per km	.000	.000	.000	.080	.000	.080	.000	.000	.000	.000	.000	.190	.000	.083		
Avg. Week (dollars)	$ 0	0	0	0	0	0	0	0	0	0	0	0	0	$ 0		
Avg. Month (dollars)	* 0	0	0	120	0	50	50	0	0	0	0	75	0	$74		
Graduated scale: (Yes)	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1.9%	
1. Amt. for 1st number of kilometers	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		
2. Number of kms reimbursed at rate in 1	0	0	0	0	0	0	0	0	1,600	0	0	0	0	1,600		
3. Amt. for any mileage over that in 2	.000	.000	.000	.000	.000	.000	.000	.000	.060	.000	.000	.000	.000	.060		
Other	0	2	0	0	2	0	2	1	0	2	1	1	1	12	23.1%	

If an assigned fleet vehicle is not in operation, what alternate means of transportation are authorized?

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
Employee's personally owned car	40	30	26	13	35	58	34	29	57	41	14	7	5	389	32.9%	32.3%
Rental car	47	34	18	12	37	63	8	29	61	47	11	7	5	379	32.1%	33.8%
District Manager's car	9	5	3	0	5	6	0	5	9	4	3	0	0	49	4.1%	3.8%
Pool car	16	29	36	7	25	31	71	20	50	25	12	3	6	331	28.0%	27.2%
Other:	3	3	1	0	2	3	9	2	5	6	0	0	0	34	2.9%	2.9%
Canada																
Employee's personally owned car	6	5	0	2	5	7	9	3	0	3	2	2	3	47	27.6%	
Rental car	16	10	0	3	9	11	8	2	1	8	2	2	6	78	45.9%	
District Manager's car	0	0	0	0	0	0	1	0	0	0	0	1	0	2	1.2%	
Pool car	4	6	0	1	5	2	8	1	1	2	0	2	5	37	21.8%	
Other:	1	0	0	1	0	1	1	0	0	2	0	0	0	6	3.5%	

How are employees reimbursed for business use of personally owned vehicles when their assigned fleet vehicle is inoperable?

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
Per Mile (Yes) Avg. Amount (cents)	41 .226	30 .234	28 .236	12 .224	40 .224	55 .225	47 .221	31 .217	58 .223	42 .211	13 .234	8 .216	7 .230	412 .224	84.6%	83.6%
Weekly Payment (Yes) Avg. Amount (dollars)	0 $ 0	0 0	0 0	1 75	1 55	0 0	0 0	0 0	0 0	2 338	0 0	0 0	0 0	4 $201	0.9%	0.9%
Monthly Payment (Yes) Avg. Amount (dollars)	0 $ 0	0 0	0 0	0 0	0 0	1 230	0 0	0 0	0 0	0 0	0 0	0 0	0 0	1 $230	0.2%	0.2%
Combination of both cents/mile & weekly or monthly charge: (Yes) Avg. charged per mile Avg. Week (dollars) Avg. Month (dollars)	0 .000 $ 0 $ 0	0 .000 0 0	0 .000 0 0	0 .000 0 0	0 .000 0 0	2 .090 55 96	0 .000 0 0	0 .000 0 0	0 .000 0 0	0 .000 0 0	0 .000 0 0	0 .000 0 0	0 .000 0 0	2 .090 $55 $96	0.4%	0.4%
Graduated scale: (Yes) 1. Amt. for 1st number of miles 2. Number of miles reimbursed at rate in 1 3. Amt. for any mileage over that in 2	2 .240 7,800 .115	4 .240 7,819 .125	4 .220 8,803 .123	1 .240 225 .115	1 .240 15,000 .110	5 .230 12,060 .110	1 .230 15,000 .110	0 .000 0 .000	1 .240 1,000 .110	3 .223 5,483 .107	4 .240 10,417 .110	0 .000 0 .000	0 .000 0 .000	26 .233 8,410 .115	5.3%	5.4%
Other	4	3	5	0	1	5	10	3	6	4	0	1	0	42	8.6%	9.5%
Canada																
Per Kilometer (Yes) Avg. Amount (cents)	9 .247	7 .256	0 .000	3 .230	9 .237	6 .237	5 .252	2 .245	0 .000	4 .235	2 .235	2 .245	6 .238	52 .243	76.4%	
Weekly Payment (Yes) Avg. Amount (dollars)	1 $50	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	1 $50	1.5%	
Monthly Payment (Yes)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	
Combination of both cents/kilometer & weekly or monthly charge: (Yes)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	
Graduated scale: (Yes) 1. Amt. for 1st number of kilometers 2. Number of kms reimbursed at rate in 1 3. Amt. for any mileage over that in 2	0 .000 0 .000	0 .000 0 .000	0 .000 0 .000	0 .000 0 .000	0 .000 0 .000	1 .270 5,000 .210	3 .257 8,500 .215	0 .000 0 .000	0 .000 0 .000	0 .000 0 .000	0 .000 0 .000	0 .000 0 .000	0 .000 0 .000	4 .260 7,800 .214	5.9%	
Other	0	2	0	0	2	2	0	1	0	2	0	0	2	11	16.2%	

Personal Use Survey

(continued from page 10)

the employee for the repair costs are most likely to charge either the insurance deductible amount (average $224 U.S. and $197 Canada) or a flat dollar amount (average $203 U.S. and $154 Canada).

On that note of being aware and keeping a watchful eye, only ten percent of all respondents reported that the IRS (or equivalent governmental body) had conducted an audit of their personal use records.

A Personal Use History

The statistical data gathered by NAFA over the last three years provides fleet managers with a detailed history surrounding the complex issue of personal use of company vehicles and business use of personal vehicles.

As seen in the chart on page 18, NAFA's Personal Use Survey has steadily become more accurate and reliable:

- Total respondents increased 31 percent since 1987;
- Total vehicles in surveyed fleets increased 38 percent since 1987;
- Nearly 90 percent of employees have been allowed personal use of company vehicles since 1987;
- Fleets are less likely to allow spouses and licensed children to drive company vehicles for personal use than they were in 1987;
- In accordance with the above fact, the percent of total monthly fleet mileage considered to be for personal use has dropped by nearly one-third;
- Since 1987, nearly 80 percent of employees using company vehicles for personal use were charged for such use;
- There are two prominent factors determining who gets a company vehicle—job title and yearly business mileage.
- Since 1987, at least 82 percent of employees driving a personal vehicle for business were reimbursed on a cents/mile basis.

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Has the Internal Revenue (or equivalent governmental body) conducted an audit of your company's personal use policies in the past two years?

	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
U.S. - Yes	4	1	2	3	6	6	6	4	9	4	3	0	0	48	9.1%	10.0%
No	45	40	36	11	39	60	76	35	57	46	16	9	8	478	90.9%	90.0%
Canada - Yes	4	2	0	0	3	0	1	1	1	1	0	0	0	13	15.7%	
No	13	8	0	3	6	12	9	2	0	7	2	2	6	70	84.3%	

Is any portion of repair costs charged to employee if person other than employee is driving vehicle?

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
Yes	22	17	11	6	26	30	17	20	34	22	9	1	3	218	59.4%	58.4%
No	18	14	10	1	15	22	9	7	21	19	7	3	3	149	40.6%	41.6%
Canada																
Yes	8	5	0	0	6	1	3	2	0	3	1	1	3	33	52.4%	
No	6	3	0	1	3	8	1	0	1	3	1	0	3	30	47.6%	

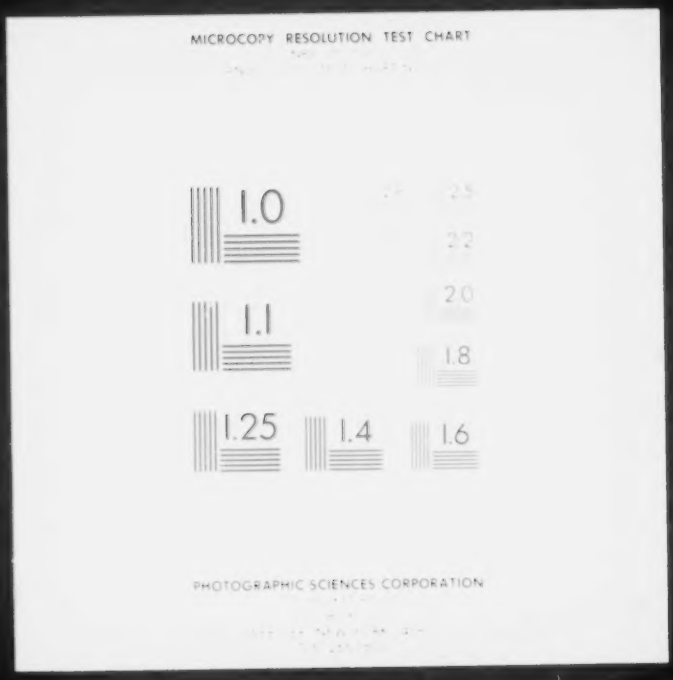
Is any portion of repair costs resulting from accidents during personal use charged to the employee?

United States	Drugs & Cosmet.	Chem. & Petro.	Public Utility	Commun.	Food & Bevs.	Ind. Mfg.	Govt.	Service Org.	Insur.	Consum. Mfg.	Bank/ Finance	Elect.	Other	Total	% of Country Total	Overall % U.S.& Canada
Yes	11	7	1	3	16	16	6	16	14	12	3	1	2	108	23.7%	26.0%
No	38	31	27	7	29	49	36	17	52	38	13	5	6	348	76.3%	73.0%
If "Yes" how much:																
A. Full amount (Yes)	0	2	1	0	1	0	3	1	0	0	2	0	0	10	9.3%	9.0%
B. Fixed Share (Avg.%)	50.0%	0	0	0	0	0	0	0	0	0	0	50.0%	0	50.0%		
(positive responses)	1	0	0	0	0	0	0	0	0	0	0	1	0	2	1.9%	1.4%
C. Dollar Amount (Avg.)	$256	280	0	100	136	217	425	200	117	163	500	0	0	$203		
(positive responses)	4	5	0	1	7	6	2	5	6	8	1	0	0	45	42.5%	39.6%
D. Insurance deductible amount (dollars)	$230	0	0	175	200	238	0	250	175	275	0	0	225	$224		
(positive responses)	5	0	0	2	8	8	0	9	6	4	0	0	2	44	44.4%	45.8%
E. Other	1	0	0	0	0	1	0	0	0	0	0	0	0	2	1.9%	4.2%
Canada																
Yes	8	4	0	2	6	1	3	1	1	3	1	1	5	36	46.2%	
No	9	6	0	1	3	11	3	2	0	5	1	1	0	42	53.8%	
If "Yes" how much:																
A. Full Amount (Yes)	0	0	0	0	1	0	1	0	0	0	0	0	1	3	8.3%	
B. Fixed Share (Avg.%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
(positive responses)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	
C. Dollar Amount (Avg.)	$93	175	0	0	233	100	150	25	0	100	0	250	150	$154		
(positive responses)	1	1	0	0	3	0	1	1	0	1	0	1	2	11	30.6%	
D. Insurance deductible amount (dollars)	$160	250	0	250	75	0	300	0	100	250	250	0	175	$197		
(positive responses)	5	2	0	2	2	0	1	0	1	2	1	0	2	18	50.0%	
E. Other	0	1	0	0	0	1	1	0	0	1	0	0	0	4	11.1%	

1987 - 1989 Personal Use Survey Comparison

	1987	1988	1989
o Total fleets responding	464	463	609
o Total vehicles	394,091	518,401	544,599
Company-owned	221,049	283,517	264,562
Leased	173,042	234,884	279,987
o Personal use of company vehicle permitted by:			
Employee	89%	87%	87.7%
Employee spouse	77%	65%	64.5%
Employee's licensed children	44%	34%	32.4%
Others	13%	5%	11.7%
No one; personal use not permitted	11%	13%	12.3%
o Minimum age set for drivers other than employees for use of company vehicle for personal use	38.1%	35.9%	27.7%
o Percent of monthly total fleet mileage considered for personal use	20.1%	20.7%	13.2%
Average personal mileage per driver per month (U.S.)	473	408	399
Average personal mileage per driver per month (Canada)	874km	548km	616km
o Employee charged for personal use of company vehicle:	80%	81.1%	78.5%
o Charging method used for personal use of company vehicle:			
Per mile (kilometer)	45%	32%	28.4%
Weekly/Monthly rate	39%	33.3%	
Weekly rate (1989)			8.2%
Monthly rate (1989)			22.0%
Combination per-mile/weekly/monthly rate	15%	8.1%	6.9%
Graduatnd scale	NA	1.1%	0.6%
Other	NA	25.5%	33.9%
("Graduated scale" and "Other" options not given in 1987.)			
o Personal Use Charges Collected Via:	68%	37.4%	39.0%
Expense report	73%	44.0%	43.4%
Salary deduction	NA	18.6%	17.6%
Other			
("Other" option not given in 1987.)			
o Factors governing assignment of company vehicle	31.2%	24.4%	24.3%
Yearly business mileage	45.2%	13.1%	48.9%
Job title	14.7%	53.5%	14.9%
Fringe benefit	8.9%	9.0%	11.9%
Other			
o Repair cost paid by driver because of personal use accident	36%	31.8%	26.0%
Full amount	5%	10.4%	9.0%
Fixed share (percentage amount)	.7%	2.1%	1.4%
Dollar amount	35%	45.8%	39.6%
Insurance deductible	41%	41.7%	45.8%
Other	18.3%	NA	4.2%
Reimbursements			
o Employees reimbursed for business use of personal vehicle - assigned fleet vehicle inoperable	96.4%	85.1%	83.6%
Per mile rate	.8%	1.4%	
Weekly/Monthly rate			0.9%
Weekly rate (1989)			0.2%
Monthly rate (1989)			0.4%
Combination of per-mile/weekly/monthly rate	.8%	.7%	5.4%
Graduated scale	2.0%	5.2%	9.5%
Other	NA	6.6%	
o Employees reimbursed for business use of personal vehicle - no assigned fleet vehicle	90.8%	81.3%	82.6%
Per mile rate	2.0%	4.8%	
Weekly/Monthly rate			0.5%
Weekly rate (1989)			3.9%
Monthly rate (1989)			3.2%
Combination of per-mile/weekly/monthly rate	4.7%	3.1%	5.4%
Graduated scale	2.5%	6.3%	4.4%
Other	NA	4.5%	
IRS (or similar governmental body) audit in last 2 years	8%	7.3%	10.0%

Note: Some questions were re-phrased, making some comparisons unrealistic



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